



USAFMCOM OPERATIONAL SUPPORT TEAM



INTERNAL CONTROL OFFICE SETUP



United States Army Financial Management Command
Operational Support Team

01 April 2013



AGENDA



- Office Setup
- Appointment Orders
- Policies, SOPs, Regulations
- System Access
- IC Plan
- Reporting Procedures



IC APPOINTMENT ORDERS

DFAS-PMTMBO/IN

Date XX, XXXXXX 2011

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Appointment Orders for

REFERENCE:

Army Regulation 11-37, paragraph, 1-5g (2)

- a. DFAS 37-1 (Finance & Accounting Policy Implementation)
- b. MPO-I Guidance Letter

In accordance with reference Army Regulation 11-37, paragraph, 1-5g (2), you are hereby appointed as the IC personnel for the Defense Military Pay Office (DMPO) at . Unless sooner terminated in writing by the DMPO Director/Finance Officer, this appointment shall remain in effect for the life of the appointment described in regulatory guidance above. You are directly responsible for conducting staff review of the DMPO operation per the Director/Finance Officer to help in identifying and correcting operational deficiencies.

As Internal Control Personnel, you are the technical representative of the DMPO Director/Finance Officer and staff. You are to perform your duties in accordance with (IAW) AR 11-37, paragraph, 1-5h (1-7). Your duties include the following: review of each DMPO section to ensure internal controls are in place, functional and that daily operations are performed IAW regulations, guidance and the Standing Operating Procedures (SOP); providing technical direction; review and update the annual assurance statement; review and maintain the 150% increase and decrease reports; review high visibility sensitive accounts; manage the case management system; prepare the balanced scorecard; ensure each DMPO section has an up to date locally adapted SOP; any other functions as assigned by the Director/Finance Officer.

INTERNAL REVIEW TECHNICIAN

DMPO DIRECTOR/FINANCE OFFICER

(Date)

(Date)

The Internal Control Technician shall retain one copy of this letter and attach it to the desktop Standard Operating Procedures (SOP).

Figure 2
Appointment Order



CASH VERIFICATION ORDERS



DEPARTMENT OF THE ARMY
1st SUSTAINMENT COMMAND (THEATER)
13th FINANCIAL MANAGEMENT SUPPORT CENTER
CAMP ARIFJAN, KUWAIT
APO AE 09166

REPLY TO
ATTENTION OF

ACEN-TSC-FMSC

4 SEP 2012

MEMORADUM FOR 13th Financial Management Support Center (FMSC) Fort Hood, TX 76544

SUBJECT: Quarterly Cash Count Team Appointment Letter

1. Effective 4 SEP 2012, the following personnel are appointed as the Quarterly Cash Count Team members:

2. Authority: VOCO

3. Reference: DoDFMR 7000.14-R, Volume 5

4. Period: Indefinite

5. Purpose: The cash count will be performed quarterly on an unannounced basis by 13th FMSC.

6. Special Instructions: The cash count team members will follow DoDFMR 7000.14-R, Volume 5 and prepare a written report for the DMPO Director, the Disbursing Officer and a copy for Defense Finance and Accounting Services (DFAS).

7. Point of contact for this memorandum is _____ at 254-287-1776.

Director



INTERNAL CONTROL PROGRAM



The Internal Review Team will need to obtain all Theater SOPs/Policies as well as the Sectional SOPs from each area of operation.

- Disbursing
- Pay Support
- Fund the Force
- FINOPS
- Internal Control
- Resource Management
- Automation



INTERNAL CONTROL SOP

1. References.

- a. AR 11-2, Management Control, dated 4 January 2010
- b. AR 11-7, Army Internal Review Program, dated 22 June 2011
- c. DoDFMR Volume 4, Accounting Policy and Procedures
- d. DoDFMR Volume 5, Disbursing and Policy Procedures
- e. DoDFMR, Volume 7A, Military Pay Policy and Procedures Active Duty and Reserve Pay
- f. DFAS Guidance Letter for Internal Control, dated 1 October 2011)

2. Purpose.

This SOP prescribes policies, responsibilities, procedures and reporting requirements of the Internal Control (IC) Section. The IC Section operates under the direct control of the Financial Management Support Center (FMSC) Director to ensure a high state of technical proficiency is maintained in all operational elements of the FMSC and theater Financial Management Support Units (FMSU) and Detachments. The IC Section evaluates the effectiveness of existing procedures and internal controls, and ensures compliance with applicable regulations, directives and management controls. The Internal Control Program is designed to improve financial operations and detect, deter, and prevent fraud and waste. It focuses on those internal controls that serve to strengthen financial management practices and establish effective cash management programs. This SOP provides a system of reviews designed to improve finance operating procedures by ensuring command involvement in these and other related areas.

3. Scope.

The provisions of this SOP apply to the Internal Control Section of the 13th Financial Management Support Center (FMSC), and all financial management units under the technical guidance of the 13th FMSC.

ACEN-TSC-FMSC

SUBJECT: 13th FMSC Internal Control Standard Operating Procedures (SOP)

4. Operational Review Checklist.

This SOP contains internal control operational checklists for the IC Program. The Operational Review Checklists are located in Appendix A of this SOP.

5. Responsibilities.

- a. Financial Management Support Center Director:



INTERNAL CONTROL PROGRAM



References:

- AR 11-2, Management Control, dated 4 January 2010
- AR 11-7, Army Internal Review Program, dated 22 June 2011
- DODFMR Volume 4, Accounting Policy and Procedures
- DODFMR Volume 5, Disbursing Policy and Procedures
- DODFMR Volume 7A, Military Pay Policy and Procedures Active Duty and Reserve Pay
- DFAS Guidance Letter for Internal Control, dated 1 October 2012



INTERNAL CONTROL PROGRAM

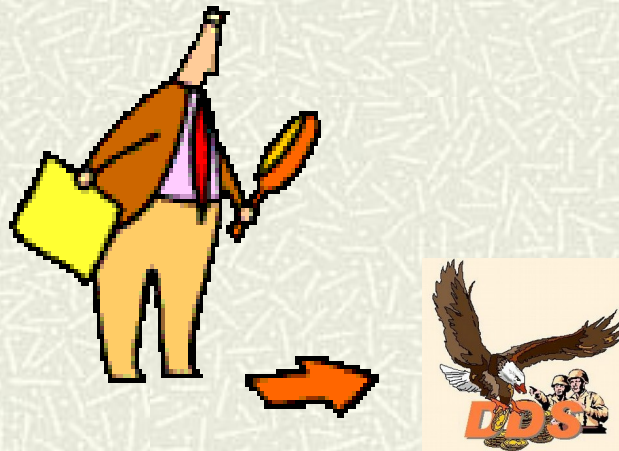


Internal Control Team will need to request access to the following systems:

- LIAP- Multi-Host Internet Access Portal
- DMMS- Defense Joint Military Pay System
- DMMS- Case Management System
- DMO- Defense Milpay Office
- TCnet -Over the Counter Paper Check Conversion

Internal Control Team will need to be familiar with using the following systems:

- DMMS
- DMMS
- DMMS
- DMO
- FEBS
- APS
- IR/CIR





INTERNAL CONTROL PROGRAM PLAN



3. **Review Units.** The following units have been identified for review in the 13th FMSC technical AOR:

Afghanistan

| | | |
|---|---------------|--------------------|
| 125 th / 82 nd FMSU | November 2012 | TOA Assisted Visit |
| 33 rd / 230 th FMSU | November 2012 | TOA Assisted Visit |
| 82 nd FMSU | January 2013 | Courtesy Review |
| 230 th FMSU | January 2013 | Courtesy Review |
| 82 nd FMSU | April 2013 | Operational Review |
| 230 th FMSU | April 2013 | Operational Review |

Kuwait

| | | |
|--|---------------|--------------------|
| 50 th / 28 th FMSU | October 2012 | TOA Assisted Visit |
| 28 th FMSU | December 2013 | Courtesy Review |
| 28 th FMSU | March 2013 | Operational Review |

Sinai

| | | |
|----------------|-----|-----------------------|
| MFO-North Camp | TBD | Site Assistance Visit |
|----------------|-----|-----------------------|

4. **Process.**

a. **Courtesy Review** – All reviews will have an in-brief to the FMSU commanders, a definite review period, and out-brief to the commander. Courtesy Reviews will result in a report presented from the Chief, Internal Control Branch to the FMSU commander. Courtesy Review results are provided only to the FMSU commander, no later than 14 days after completion of site review.

b. **Operational Review** – Operational Reviews are formal reviews conducted to provide a current financial management status of a unit. A written report will be provided to the FMSU commander and Sustainment Brigade (SB) commander approximately 14 calendar days from the conclusion of the review.

c. **Requests for Special Reviews** – IC will conduct special reviews at the direction of the FMSC Director. Requests for special reviews by FMSU commanders must be approved by the



INTERNAL CONTROL REPORTING PROCEDURES



All reviews must include an **in-brief** and **out-brief presentation** to Finance Commander, Section Chief or other personnel within the section (if applicable). A written report will be provided to the FMSC Director or FMSU Commander within 72 hours of review.



**125th Financial Management
Company (FWD)**

Staff Assistance Visit (SAV)
IN-BRIEF
SFC Smith, Margaret, IC

999th FMSD
FOB Salerno
01 NOV 09

→ Mission First – Soldiers Always! ←



**125th Financial Management
Company (FWD)**

Staff Assistance Visit (SAV)
OUT-BRIEF
SFC Smith, Margaret, IC

999th FMSD
FOB Salerno
08 NOV 09

→ Mission First – Soldiers Always! ←



INTERNAL CONTROL REPORTING PROCEDURES



Checklists- will be provided to all FM units approximately 30 days prior to review. All questions within the checklist will provide a YES, NO, N/I (needs improvement) or N/A (not applicable) for the reviewer to answer.

If the question results in No or N/I, an explanation will be provided that indicates the type of observation. Personnel will be identified for

| Tab | Checklist Description |
|-----|---|
| 1 | Deployed Cashiers Operations |
| 2-1 | Deployed Fund the Force (CVS) |
| 3 | Deployed Customer Service |
| 4 | Deployed Cash Verification |
| 5 | Deployed Deputy Disbursing Officer (DDO) |
| 6 | Deployed Eagle Cash Card (ECC) |
| 7 | Deployed Foreign Funds |
| 8 | Deployed General Disbursing Security |
| 9 | Deployed Internal Control (IC) |
| 10 | Deployed In and Out Processing (IOP) |
| 11 | Deployed Local Pay (LP) - previously known as Casual Pay (CP) |
| 12 | Deployed Military Pay Operations and Review |
| 13 | Deployed Online OTCnet |
| 14 | Deployed POC-OTC |
| 15 | Deployed Physical Security |
| 16 | Deployed Processing |
| 17 | Deployed Reserve Pay |
| 18 | Deployed Reward Payment Voucher Spot Check |
| 19 | Deployed Travel Operations |
| 20 | Deployed Treasury Check |
| 21 | Deployed Security - TASO |
| 22 | Deployed Paying Agents |
| 23 | Deployed IMO Assessment |
| 24 | |
| 25 | |
| 26 | |

| | |
|---|-----------------|
| Theater Financial Management Support Center | |
| Deployed EagleCash Card | |
| Operational Review Checklist | |
| Unit: | Location: |
| Section: | DSN: |
| OIC: | Review Date(s): |
| NCOIC: | Review Type: |
| | YES NO N/I N/A |
| 1. As a minimum, are the applicable SOPs/policies readily available within this functional area for review? References can be found at https://www.us.army.mil/suite/ page 387344 | |
| a. 13th TFMSC Disbursing Policy #8, EagleCash Stored Value Card (SVC) Policy dated 01 Oct 12 | |
| b. Eagle Cash SOP Version 6.0, dated 27 June 2012 | |
| c. DoDFMR Volume 7A, Chapter 51, Savings Deposit Program Oct 2012 | |
| d. DoDFMR Volume 5, DoDFMR Volume 5, Chapter 3, 7, and 17, last modified Sep 2012 | |
| e. Deployable Disbursing System (DDS) User Manual Version 6.5 | |
| f. Office of the Assistant Secretary of the Army Financial Management and Comptroller memorandum, dated Jun 6, 2011, Subject: Army Disbursing and Entitlement Systems Control | |
| Observations: | |
| Recommendations: | |
| Correction: | |
| | YES NO N/I N/A |
| 2. Are controls established to ensure unissued EagleCash Cards are being maintained within the vault and properly transferred to the cashiers for issuance? (13th TFMSC Disbursing Policy # 8 EagleCash Policy, pg. 6 paragraph 17(a), DoDFMR Vol. 5, 030301, | |
| a. Are controls established to ensure ECC Cards that are issued each day to cashiers are being annotated by sequence of ECCs issued and then turned in at end of day to fully | |
| Observations: | |
| Recommendations: | |
| Correction: | |



INTERNAL CONTROL REPORTING PROCEDURES



Discrepancies- Any major observations will be presented to the FMSC Director, FMSU commanders or SPO involved via a written report. Observations corrected on the spot will neither be presented to the FMSC Director or FMSU Commander nor placed in the formal written report.

ENDORSEMENT OF INTERNAL CONTROL REVIEW

| Unit Visited: | Location: | Date of Visit: |
|------------------------|-------------|-----------------|
| 610 th FMSD | FOB SHARANA | 02-15 July 2012 |

1. ENDORSEMENT LETTER: Operational Review (OR)

2. RESPONDERS: CPT Morehouse, Commander and SFC Bagel, Detachment Sergeant

3. SECTION LEADERS:

Disbursing Agent: SFC James

MIL Pay Processing NCOIC: SSG Wilson

MIL Pay Customer Service NCOIC: SSG Wilson

Reserve Pay NCOIC: SFC Jackson

Eagle Cash POC: SFC Borne

TASO: SGT Holley

Commercial Vendor Services NCOIC: SGT Hamilton

4. 120th FMCo INTERNAL CONTROL TEAM: SFC Broderick, Michael,

PURPOSE: The Operational Review is a complete assessment for all Finance Operations and Finance Sections within the Finance Office. The Disbursment will reply by endorsement to the formal written report and IC checklist within 14 days of Operational Review. The written endorsement should concur or non-concur to each "Amber/Red" Status or "needs improvement" findings recommendation and provide supporting justification for any non-concurs. The written endorsement will show corrective plan of action to be implemented in order to bring that inspectable area to a green status.



INTERNAL CONTROL REPORTING PROCEDURES



Rebuttal- FMSU/FMSD commanders have 14 days from receipt of the formal IC report to rebut observations. Any observations not rebutted must have a corrective action plan. The FMSC/FMSU is looking for long term rather than short term fixes, and not just “check the box” to a observation by the suspense date. The IC teams’ objective is to provide technical assistance during and after each review.

MILITARY PAY – Customer Service:
Overall Assessment: AMBER

Findings:

DA FM 2142 (Pay Inquiries) are not filled out in its entirety or correctly.

Recommendation:

During the last SAV, the Customer Service Section was informed to fill out all the blocks on the DA 2142. The majority of the DA 2142's for March 10 were not annotated or signed by the Customer Service Representative. Instruction and guidance was provided to the section again on filling out all portions of the pay inquiry and place a copy in the S1's distribution boxes.

- I. **CMDR/DET SGT implementation of corrective action for each deficiency with date of completion:**



INTERNAL CONTROL REPORTING PROCEDURES



DFAS-PMTMBO/IN

Date XX, XXXX

MEMORANDUM FOR DMPO Director, DEFENSE MILITARY PAY OFFICE
(DMPO),

SUBJECT: Results of Review for Reserve Pay Section Review

1. The Reserve Pay Section was reviewed from 6-17 August 2010. The Reserve Pay Section received an overall rating of "GREEN – PASS/MET". A copy of the checklist is attached.

2. The following deficiencies and/or weaknesses were identified:

Reserve Pay, question 1 – All regulatory guidance was not available within the section for all technicians use.

Reserve Pay, question 2 – The SOP needs to be update to cover all questions and processes contained within the checklist at a minimum. All additional procedures within the section should also be covered.

Other weaknesses identified – not date stamping all documents received; there is no proof the Leave Master Record (LMR) is being checked; there is no tracking of the technician's cycles; not returning incomplete certificate of performance packets to the unit.

3. Recommendations:

Question 1 – I will provide the section with a Reserve Pay folder file to be added to each technician's desktop that contains all required references.

Question 2 – Attached is the current SOP with annotations for procedures that need to be added. I will also forward a "draft" SOP to aid in the updating process.

Other – Every technician has been issued a date stamp and this procedure has been reemphasized during training and meetings, I will periodically check when reviewing the substantiating document files; attaching the LMR printout from DJMS-RC to the DD-214 for all S02 transactions; use a cycle control log (same as AC) to document the separation of duties process (coder, auditor, up loader); return all certificate packets that are incomplete; adding the procedures put in place to the SOP.

Additionally, a Microsoft Access file has been requested from DMPO to streamline the tracking process of all certificates on file.

4. No follow-up review is necessary, only the updating of the SOP needs to be followed up on and I recommend a suspense date of (DATE) for that action.



INTERNAL CONTROL REPORTING PROCEDURES



DFAS-PMTMBOIN

Date XX, XXXX

MEMORANDUM FOR DMPO Director, DEFENSE MILITARY PAY OFFICE
(DMPO),

SUBJECT: Follow-up Review of Review Section

1. The Review Section was re-inspected on (DATE) . The Review Section is still being rated with an overall rating of "AMBER - NEEDS IMPROVEMENT" due to the section SOP, a critical element, still not being updated/completed by section personnel.
2. Recommendation: I will assist the Review Section in completing a functional SOP.
3. POC is the undersigned, (PHONE NUMBER).

NAME
Internal Control Personnel

**Figure 7
Follow Up Memorandum**



INTERNAL CONTROL REPORTING PROCEDURES



DFAS-PMTMBO/IN

DATE XX, XXXX

MEMORANDUM FOR DMPO Director, DEFENSE MILITARY PAY OFFICE
(DMPO),

SUBJECT: Results of Special Review - BAH

- 1.
- 2.
3. Recommendations:
4. No follow-up review is necessary, only the updating of the SOP needs to be followed up on and I recommend a suspense date of (DATE) for that action.
5. POC is the undersigned.

NAME
Internal Control Personnel

I

Figure 8
Results of Special Review



INTERNAL CONTROL PROGRAM

